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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: April 16, 2007

100 Days of SPOe-OeVP Government

¶1. After the first 100 days of the SPOe-OeVP coalition, all Austrian media present their assessments of the government's performance so far. One daily in its weekend issue says the Social Democrats and Conservatives' cooperation has been marked by "dispute, glitches, intrigues and petty jealousies," and compares the coalition to a "television sitcom." The daily notes that despite poor popularity ratings and criticism also from within his own party, Chancellor Alfred Gusenbauer remains convinced of his course. Analyzing the performance of cabinet ministers, the daily ranks Vice-Chancellor Wilhelm Molterer first, ahead of the Chancellor, and presents Minister for Social Affairs Erwin Buchinger of the SPOe and his OeVP colleague Andrea Kdolsky, the Minister for Health and Family Issues, as positive examples among the ministerial newcomers. In its weekend issue, mass-circulation daily Kurier writes about the SPOe-OeVP coalition's first 100 days that "conflict appears to be the leitmotiv" of the government. And despite the criticism, Chancellor Gusenbauer told the daily that "we've embarked on the right course. Everything we've done points in the right direction." Asked about the SPOe's disagreement on numerous issues with coalition partner OeVP and accusations that he would "cave in too often and too quickly" in confrontations with the Conservatives, Gusenbauer underscored that "we don't want to lose sight of the big picture," because "that is where we want to move things forward, so the people can benefit." Liberal daily Der Standard says that initially the view in Austria of the coalition government was that although "the Chancellor was from the SPOe, the real head of government was the OeVP." Now, however, this seems to have changed: The affair over the Eurofighter purchase is increasingly putting the Conservatives on the defensive. Also, ahead of a major party conference, internal tensions appear to be growing within the OeVP. Meanwhile, Gusenbauer's recent attacks and his criticism of the Conservatives as a "morally destitute" party have boosted his position within the SPOe. Finally, the Chancellor is standing up to his coalition partner, the Standard says.

Eurofighter Report Due Today

¶2. Tension is mounting ahead of the publication later today of the first part of the specialist report looking into the Eurofighter purchase: According to Austrian media, the analysis by legal expert Helmut Koziol will make clear whether payments from EADS lobbyist Erhard Steiniger to several persons connected with the jets' acquisition process including "Airchief" Eric Wolf violate the purchase contract and could thus provide Austrian Defense Minister Norbert Darabos of the SPOe with an opportunity to pull out of the deal.

Ahead of the publication of the first part of an expert opinion on the Eurofighter purchase deal, Austrian media speculate on the potential repercussions the report might have. Liberal daily *Der Standard* writes that Defense Minister Darabos is negotiating a discount with Eurofighter producer EADS. Similarly, independent provincial daily *Salzburger Nachrichten* runs the front-page headline "EADS wants to cut prices in poker game over jets." And, mass-circulation tabloid *Kronen Zeitung* says that EADS is "cold-shouldering the government:" The jets' manufacturer has ruled out a cancellation of the purchase, as well as a reduction of the number of interceptors to be bought. The only concession the corporation appears to be willing to discuss is a rebate, which was already up for negotiation anyway. Mass-circulation tabloid *Oesterreich* argues the issue has led to a "quarrel in the government" and suggests the dispute over the planes is "driving a wedge between the SPOe and the OeVP." Meanwhile, centrist daily *Die Presse* comments that with the publication of part of the expert opinion, the Defense Minister will have to decide on his strategy towards EADS and on whether to buy "18, 12, or no interceptors at all."

Climate Summit in Vienna

¶3. Austrian Chancellor Alfred Gusenbauer is holding a meeting today to debate the critical issue of climate change. Around 100 experts, government and opposition members and representatives of interest groups will gather at the Hofburg in Vienna to debate climate protection measures for Austria.

Meanwhile, in its latest report published earlier this month, Austria's Federal Office for the Environment says greenhouse gas emissions have reached a record high, at over 93 million tons. The office says that instead of the 13 percent reduction in comparison to 1990 levels promised in Austria's Kyoto climate protection strategy, emissions had increased by 18 percent by 2005. The report urges that reductions must come especially in the area of traffic. Like several Austrian media, liberal daily *Der Standard* reports on the summit to address the problem of climate change, which Chancellor Alfred Gusenbauer is hosting at the Hofburg today. The meeting has led to disagreement over the issue of traffic - one of the key topics up for discussion. While one expert suggested the only way for Austria to reach its climate goals was to "stop all traffic immediately," Environment Minister Josef Proell argues he "understands the Austrian people's need for mobility." It was therefore necessary, to make this mobility as harmless for the environment as possible, as for example by increasing the share of bio-fuels, Proell emphasized.

Russian Opposition in Protest Marches

¶4. Hundreds of anti-Kremlin demonstrators held a rally in St. Petersburg, a day after a protest in Moscow ended in fights and arrests. The participants gathered at a square in the city center on Sunday, but were encircled by a similar number of riot police and prevented from marching. Smaller groups clashed with police on their way home after the main demonstration, and several protestors and opposition leaders were arrested. Ex-chess champion Garry Kasparov was among 170 held in the Moscow march, but was freed several hours later. Austrian media point to the violence and ruthlessness with which Russian police is moving against the protestors, adding that such demonstrations are the opposition's only way to make itself heard under the current Russian government.

All Austrian media report on the anti-Kremlin protests in Moscow and St. Petersburg at the weekend, with centrist daily *Die Presse* stating that the "Kremlin has a stranglehold over the Russian opposition." Those who dare protesting against President Putin these days can expect two things: a beating and jail time. Liberal daily *Der Standard* suggests the government's "extreme reaction to the demonstrations may be rooted in a deep-seated fear of even the faintest sign of a revolution." Commentator for the daily *Eduard Steiner* writes: "The few upright demonstrators cannot conceal the fact that Russia no longer has an opposition. (...) However, the political life and the fight of the different blocks are dead only according to the Western interpretation of politics. The fight does

continue - just not very visibly, since it is being conducted from within between those who are pulling the strings behind high walls." According to mass-circulation tabloid Kronen Zeitung, "Putin is showing his true face." Meanwhile, commentator for independent daily Salzburger Nachrichten Jens P. Dorner argues that Russian politics is "working with the precision of a clock under President Vladimir Putin. Therefore, the most recent scenes from Moscow and St. Petersburg were not really surprising. What perhaps still horrifies many a Western observer, has long since become normality in the East. (...) Putin's everyday politics is not motivated by sudden hysteria in view of a democratic litmus test, but constitutes a long-term strategy. (...) The Kremlin regime turns away from the European community of values and takes pride in doing so."

World Bank Pondering Wolfowitz' Fate

15. Senior ministers from World Bank member governments at a meeting in New York have said they are greatly concerned over whether the bank's credibility is suffering from the scandal surrounding its president Paul Wolfowitz, who has come under fire for the promotion of his girlfriend. While the World Bank executive board has yet to make a decision on his appointment, Wolfowitz presented a defiant statement that he intends to stay. ORF radio quotes him as saying that he believes "in the mission of this organization, and I believe that I can carry it out. We need to work our way through this; the board is looking into the matter and we'll let them complete their work."

In independent provincial daily Salzburger Nachrichten, Richard Wiens comments that "Wolfowitz is a lame duck." He continues: "To adapt the World Bank and the Monetary Fund to the changed power situation of the global economy is a Herculean Task which is not easy to accomplish for a management of integrity. It is certainly not a task that can be mastered by a personally crippled President. Since the recent revelation of his preferred treatment of his girlfriend, Paul Wolfowitz has shared the fate of his greatest patron: Like US President George W. Bush, he is now what Americans call a 'lame duck.' Today, the most crucial question is no longer just how much money the Monetary Fund and the World Bank can give to the world's poorest states. There is enough capital on the international financial markets. Former beneficiaries are distancing themselves from Washington as quickly as they can. The World Bank lives by its credibility. An organization which demands good conduct, both politically and economically, from those it supports must set a good example. Paul Wolfowitz, who has committed himself to the fight against corruption, can no longer be a role model in this respect. If he is serious about the concerns of the World Bank and he wants to do it a service, he cannot stay on."

"Cabinet Walkout" Looming in Iraq

16. Officials close to Iraq's radical Shiite cleric Moqtada al-Sadr have said he will withdraw his cabinet ministers from the government coalition today. The move is seen as an attempt to pressure Prime Minister Nuri Al-Maliki to draw up a timetable for US troops to leave Iraq. Sadr's political block has six ministers in the Iraqi government. Observers, however, say that while it is unlikely the government will crash even if al-Sadr's supporters leave the coalition, such a move would definitely increase tensions within the government, says ORF online news.

Kilner